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ISSUES IN RESUMPTION OF PARANA TALKS EXAMINED

PY081929Y Rio de Janeiro JORNAL DO BRASIL in Portuguese 7 Aug 78 p 16 PY

[Excerpts] Brasilia--Should the [Argentine] Government issue a written declaration that the "Declaration of Principles" of 27 May [presumably working paper submitted on 29 May] would not be used as basis for negotiations, Brazil would accept the resumption of tripartite talks with Argentina and Paraguay aimed at reconciling the Corpus and Itaipu hydroelectric dams. Should this be the case the current deadlock in the negotiations will be overcome without need for Argentina to comply with Brazil's demand to withdraw the paper.

Lately, the Argentine Foreign Ministry had been applying a lot of pressure on Itamaraty to reopen negotiations regardless of the cost. Brazil continues to refuse. There is a basic condition, which provides two options, for resuming talks on Itaipu and Corpus: Either the Argentines withdraw the paper, or they issue a new official document indicating that the paper issued on 27 May "will not serve as a basis for negotiations."

The latter is a formal way out of the deadlock the two governments have reached. The Argentines refuse to withdraw the paper and the Brazilians refuse to negotiate while it is in effect. The latter option would allow Itamaraty to accept the paper but it would not be considered an official document.

Lately, Argentine Foreign Minister Oscar Antonio Montes attempted to describe this option. He said that the document which has delivered "would or would not be discussed, depending on its acceptance by the other parties." This position is close to that requested by the Brazilian Government, and the only thing missing is a note that the 27 May paper ["paper" given in english] should not be taken as official.

Brazilian diplomatic circles have been noticing Argentina's haste in concluding the negotiations regarding the operation of Itaipu and the future construction of the Corpus dam. According to speculations, the Argentines have realized that "the time for negotiations is running out."

Argentina's haste is viewed as natural in Brazil. According to high-ranking Brazilian diplomats only 7 months are left to wrap up the negotiations. These officials believe that the end of Geisel's government in March next year will lead to a reasonable period of suspension of the more complicated negotiations to allow the new ministers and government officials in general to acquaint themselves with the issues at hand.

These diplomats stated yesterday that "this would not be a question of ill will or lack of knowledge, but merely a stage of adjustment necessary for any new government."

Since Itaipu's construction is quite advanced and even the electromechanical equipment has been ordered, it is necessary to establish the final technical specifications for the operation of the Brazilian-Paraguayan hydroelectric dam. If this is not done immediately, it will be impossible later to change the basic electromechanical specifications.

TWO PARTIES FORM CHRISTIAN DEMOCRATIC FEDERATION

PY081336Y Buenos Aires CLARIN in Spanish 6 Aug 78 p 9 PY

[Text] The formation of the Christian Democratic Federation [Federacion Democrata Cristiana] made up of the Popular Christian Party (PPC) and the Christian Revolutionary Party (PRC) was publicly announced at a reception for the news media yesterday.

The presidency of the new federation will be exercised alternatively every 6 months by Jose Antonio Allende of the PPC and Francisco Cerro of the PRC. The presidential council will be formed by the following leaders of the two organizations: Enrique de Vedia, Martin Dip, Otelo Zamponi and Nestor Vicente.

The federation is aimed "at strengthening the presence of Christian socialism in Argentina by promoting the union in the same line of thought."

The FDC will be in charge of domestic policies and relations with Christian international organizations such as the Christian Democratic Organization of America (ODCA) headed by the Salvadoran Napolean Duarte and the World Union of Christian Democrats headed by the Italian Mariano Rumor.

The federation will also include other movements of the same political line. Carlos Imbaud (Tucuman Recovery Movement), who attended yesterday's meeting said: "Eighty percent of us are for the federation."

MINISTER EXPLAINS NATIONAL POSITION ON ANTARCTIC

PY090201Y Buenos Aires TELAM in Spanish 2122 GMT 8 Aug 78 PY

[Text] Buenos Aires, 8 Aug--Minister Plenipotentiary Angel Maria Oliveri Lopez, chief of the Argentine delegation which attended the meeting of Antarctic countries in this city, has asserted that the discussions had "a very positive trend" because the countries demanding sovereignty, ours among them, took the same line and insisted on demanding rights over waters adjacent to the Antarctic territories.

Oliveri Lopez emphasized that this demand for sovereignty over territorial seas is not accepted by the member countries of the Antarctic treaty which do not want sovereignty rights, but the right to exploit the area's living resources, such as the USSR, Poland and Japan. These countries base their position on the Washington treaty signed in 1959, which approved a "freezing" of the sovereignty claims established in Article 4 to the effect that there will be no more demands or expansion of old demands. He said the USSR believes that to demand sovereignty over maritime areas is a new demand or the expansion of an old demand, a position which is not shared by the demanding countries because they understand that in 1959 they retained claim to their rights and they do not want to renounce this. Regarding this matter, he emphasized that the position adopted by Argentina is clear and trends toward recognizing 200-mile sovereignty. Argentina bases its argument on international law in order to preserve an area in which it can grant concessions or undertake exploitation as it deems fit.

Regarding the plan for preserving living resources, which was the principal subject of the discussions held in July in Buenos Aires and on which no agreement was reached, he asserted that it is of "enormous importance" because it refers to the rational use of these renewable resources and that tomorrow nonrenewable resources may be involved. He made it clear that this project for preserving living resources is not limited just to the area which is considered to be typically the Antarctic--in other words, up to 60 degrees south latitude--because it is directed toward preserving resources beyond parallel 60 "up to what has long been called, in response to biological fact, the Antarctic convergence."

He spoke about the complexity of the Antarctic treaty, which includes fairly problematic formulas in order to permit coexistence among the countries which are demanding and those which are not demanding sovereignty, all of them with major interests in the area. "If this is added to the fact that there are islands in the region over which nobody disputes real and effective sovereignty, it is even more difficult to reach a solution that will satisfy the interests of everyone."

He mentioned that some studies have been made, mainly by the USSR and the United States, for evaluating the area's fishing resources, adding that for the time being there is no need to place restrictions on the fishing for krill, for example, but that the time will come when the fishing will have to be limited in order not to affect the Antarctic ecosystem. Regarding the guarantee that this limitation will be respected, especially by the great fishing powers, he indicated his optimism that it would be respected and he gave as an example the Japanese, who have been very cooperative in this matter. He emphasized that in general "it is the fishing countries which give us--that is, the demanding countries--much more optimism." He added: "When we arrive at the need of imposing 'quotas' it is not impossible that the demanding countries, if they demand their rights over territorial waters, may be able to control access to these waters and carry out policing duties in exchange for benefits of an economic nature."

He recalled that during the meeting held last month it was agreed to carry out informal consultations in Washington in September 1978, and he made it clear that since an agreement had not been reached regarding fundamental matters such as sovereignty and legal aspects, the demanding countries did not want to assume the commitment of holding a decisive meeting in Canberra (Australia) which was in principle to have been held in December 1978, this being the reason the important meeting has not yet been given a date. It all depends on what happens during the informal contacts in Washington and it is possible that there will be further informal contacts or perhaps a formal meeting such as that held in Buenos Aires before the decisive Canberra meeting.

He then referred to the position adopted by the seven countries which are claiming sovereignty (Argentina, Chile, Australia, France, Great Britain, Norway and New Zealand) to the effect that interference of third states be avoided in the drafting of the complex legal-political instrument which is being pursued.

Returning to questions related to the recent meeting held in our country, he said that important measures were adopted for establishing restricted areas, fishing quotas [words indistinct] through a specific commission, and that Argentina submitted a proposal which was accepted later regarding the information [words indistinct] to fishing countries regarding future plans in order to forecast what will happen [illegible] establish an observation and inspection system.

Finally, he referred to another proposal of our country for establishing an ecological reserve area which would be excluded from the system of exploitation of living resources. The depth of this area would be determined from the Antarctic coast, but if there are difficulties on this point it would be determined by a fixed line set at 1,000 or 500 fathoms, for example.

He placed emphasis on the fact that Argentina's aspiration is to maintain this area, where precisely 75 percent of the reproduction cycle happens, within the principles of the Antarctic treaty so it will be exclusively an ecological reserve, thus preserving the balance of our system.

These remarks were made during the "Proyecto 2000" program broadcast over Channel 7.

LECHIN OQUENDO SAYS CHILE PREPARING TO INVADE

PY090223Y Paris AFP in Spanish 0112 GMT 9 Aug 78 PY

[Text] La Paz, 8 Aug--Juan Lechin, top leader of Bolivian workers, stated here this afternoon that the Chilean Armed Forces, after calling up the women of the neighboring country, are preparing to invade Bolivia.

The labor leader, who heads the Bolivian Labor Central, added that the Bolivian Armed Forces must leave political tasks in the hands of civilians, who know government management, whereas the military does not.

The military must carry out its specific military tasks, leaving the government in civilian hands, he repeated.

Our armed forces must leave the cities and deploy toward the border regions, especially the border with Chile, which continues to demonstrate its army's intention of invading our territory, he remarked.

Lechin connected reports received in La Paz from Santiago, Chile, with alleged intentions of the high military command of the neighboring country to invade Bolivian territory.

The remarks of the veteran labor leader are the first Bolivian reaction to the intention of imposing obligatory military service on Chilean women, cited in press reports received from Santiago.

VILLALPANDO APPOINTED ARMED FORCES COMMANDER IN CHIEF

PY090036Y Buenos Aires TELAM in Spanish 0005 GMT 9 Aug 78 PY

[Text] La Paz, 8 Aug--It was officially reported here today that Gen Alfonso Villalpando has been appointed new commander in chief of the Bolivian Armed Forces.

Villalpando was commander in chief of the army and a member of the military junta which took over the government for a few hours--on 21 July--after the ouster of President Hugo Banzer.

A communique released by the Armed Forces General Command reports that Villalpando's appointment was suggested by all garrisons in the country.

BRIEFS

MIR STATEMENTS--Jaime Paz Zamora, leader of the Movement of the Revolutionary Left [MIR], has rejected attacks against his party and denied that it has called the people to take up arms. He said that this campaign has been mounted by the rightist sector. He hoped that the specter of extremism would not be used by the government to continue repression. He concluded by hoping that the armed forces would be open to dialog, not only with sectors of the right, but also with representative popular sectors, and said that MIR would be willing to begin such a dialog. [La Paz Radio Panamericana in Spanish 1700 GMT 2 Aug 78 PY]

SILES SALINAS DOMINICAN VISIT--Former President Luis Adolfo Siles Salinas has been personally invited by the new Dominican president, Antonio Guzman, to the presidential inauguration on 15 August. The invitation to Siles was sent through the Democratic and Popular Unity Front. [Montero Radio Norte in Spanish 1700 GMT 3 Aug 78 PY]

MAGALHAES PINTO WITHDRAWS AS PRESIDENTIAL CANDIDATE

PY082051Y Paris AFP in Spanish 2028 GMT 8 Aug 78 PY

[Text] Brasilia, 8 Aug--Jose Magalhaes Pinto, a dissident senator of the National Renewal Alliance [ARENA], stated here this afternoon that he has given up his candidacy as president on the ticket of the only legal Brazilian opposition party. Magalhaes Pinto had said this morning that he was waiting for the outcome of a survey conducted among ARENA dissidents before confirming his participation in the convention of the Brazilian Democratic Movement which will nominate the MDB presidential candidate.

Withdrawal Brings Reaction

PY090213Y Porto Alegre Radio Guaiba in Portuguese 2150 GMT 8 Aug 78 PY

[Excerpt] Political observers believe that Senator Magalhaes Pinto may have decided to give up his presidential candidacy on the ticket of the Brazilian Democratic Movement [MDB] as a result of the combination of two factors: his limited chance at the MDB convention and a prior agreement with the MDB leadership, which may have told Magalhaes about the prevailing tendecy within the MDB not to present any candidate to the electoral college.

In Porto Alegre, (Carlos Giacomasi), vice president of the MDB regional executive board, stated that Senator Magalhaes Pinto's decision not to run for the presidency of the republic reflects the greatness of the national redemocratization front, demonstrating the prominence of the men who comprise it. (Giacomasi) expressed his certainty that Magalhaes Pinto will continue to participate actively in the struggle he has initiated to change the country's socioeconomic policy and to restore the state of law.

Deputy Pedro Simon said Magalhaes' decision indicates that his actions are not guided by personal motives and that he only seeks to achieve a major goal--that is, the return to the state of law. Simon said that Magalhaes now has even greater authority to defend some theories he has been expressing despite the action of those who have maliciously claimed that these ideas are motivated by Magalhaes' ambition. Simon said that Magalhaes' action was instrumental both in unmasking and refuting critics.

In a note released in Porto Alegre, Tarso Dutra, president of the regional board of the National Renewal Alliance [ARENA], states that Senator Magalhaes Pinto's decision was an honorable solution to the incident in which the senator from Minas Gerais state was involved as a presidential candidate. He makes it clear that the past events can in no way overshadow Magalhaes' relevant services to the country.

CONTRACT SIGNED WITH FRG [illegible] FUEL ELEMENTS

PY080037Y Brasilia Domestic Service in Portuguese 2100 GMT 7 Aug 78 PY

[Text] The Brazilian Nuclear Corporation today signed two loan contracts totaling 42 million marks in Frankfurt, the FRG. [illegible] will be allocated for the fabrication of fuel elements for six refuelings of unit 1 of the Almirante Alvaro Alberto nuclear plant in Angra dos Reis. The fabrication of fuel elements for refueling will begin in 1980 and will be completely nationalized after completion of the sixth refueling.

PARIS PAPER SEES ARMY OPPOSITION TO PINOCHET

PY081615Y Paris AFP in Spanish 1443 GMT 8 Aug 78 PY

[Text] Paris, 8 Aug--Nine officers of the Chilean Army today gave an ultimatum to their president, Gen Augusto Pinochet, to solve the crises caused by the Letelier case and the tension with Argentina, according to reports in today's LIBERATION. The extreme left Parisian morning newspaper stated that the council of generals of the Chilean Army recently agreed to express their support for President Pinochet by 19 votes and 9 abstentions. However, it seems that those abstaining had the support of commanding officers of other branches of the armed forces.

According to the article, which is signed by Pierre Benoit and published by LIBERATION under the title of "Chile: Divisions in the Military," the nine abstaining officers issued a sort of ultimatum to President Pinochet, to solve the crisis within six months.

The newspaper said that the case of the former foreign minister of the Popular Unity Government, Orlando Letelier, who was assassinated in Washington in 1976, is a boomerang accelerating the internal struggles of the Chilean junta. The paper added that the confrontation with Buenos Aires, caused by the Beagle Channel dispute, will be the first test for President Pinochet. The paper continued by saying that Argentina's president, Gen Jorge Rafael Videla, "the great soccer World Cup champion," now appears to be a much stronger dictator than his counterpart in Santiago.

LIBERATION concluded: Moreover, the crisis begun by the Beagle Channel problem has taken on disquieting proportions. For several weeks now the passage of trucks from Chile, which to reach the Chilean city of Punta Arenas have to cross Argentine territory, has become very difficult because of impediments posed by Buenos Aires authorities.

CUBILLOS GRANTS WIDE-RANGING INTERVIEW TO TELAM

PY081312Y Buenos Aires TELAM in Spanish 2240 GMT 7 Aug 78 PY

[Text] Santiago, Chile, 7 Aug--Chilean Foreign Minister Hernan Cubillos has been interviewed at length by a special correspondent of TELAM. During the interview he referred to the situation in the Beagle area, the case of the murdered former foreign minister, Orlando Letelier, the crisis which affected the Chilean Air Force with General Leigh's resignation, Chile's external isolation and other matters. The interview took place in his ministry, along the following lines:

[Question] Regarding the Beagle case, which line south of Tierra del Fuego do you believe to be a realistic and just line between the two countries?

[Answer] You know that between Chile and Argentina, with an enormously long border which I believe is the second longest in the world, up to the present time there have fortunately never been any problems, thank God. We have a history of brotherhood which the two countries have reason to be proud of. Nevertheless, the Beagle Channel situation and that in the area you mention have been the cause of well-known problems which both governments wanted to put to arbitration. For reasons known by everyone, this arbritation has been accepted by Chile and annulled by Argentina. With this as a starting point, and with the declarations of the two governments regarding what cannot be renounced--in our case we consider the decision valid and nonnegotiable--we have begun a series of talks at the instance of the two presidents to seek a solution regarding the line you have indicated.

Regarding this line, at this time I believe it is difficult to indicate a determined line because this is precisely the subject under negotiation by commission No 2, as it is called. I am hopeful because the good will of the two parties has emerged during the talks which are taking place between the two parties. The Argentine delegation has acted with a lot of loyalty and I believe the Chileans have also. Several lines have been discussed, basically based on ideas that are new to international law, a product of this matter of the 200 miles and the new material which makes up the sea law.

Chile has been exploring the possibility of an equidistant line, as it is legally called. It is also possible to consider, because it is acceptable on the basis of this new international law, an equidistant line which takes into consideration special situations such as Argentina's. I am sure that with good will, with a capacity for dialog and with opportunity for analyzing the matter calmly and without shouting, a matter which is quite new in international law, the two countries will be able to find a satisfactory and permanent delimiting line which will give tranquillity to our two nations and will reinforce that tradition of brotherhood to which I referred at the beginning.

[Question] Are you confident that an agreement will be reached before the deadline given the commissions?

[Answer] If my memory does not fail me, the deadline for the commissions is 2 November. So we still have some months in hand. I am confident that there will be a solution.

[Question] Will navigation through the Beagle Channel be free? Because an Argentine ship has had trouble in crossing the southern line.

[Answer] The Argentine ship had problems which did not specifically involve the Beagle Channel, but another channel. We have asked our naval authorities for pertinent information and our answer regarding Argentina's protest is pending. Everything pertaining to the Beagle is part of what is now being talked about.

[Question] Mr Minister, we would now like to talk about the situation in Bolivia. General Pinochet has stated that he is confident that with the new Bolivian Government there will be a solution to some problems which exist with that country and the rupture of relations. But Bolivian Foreign Minister Anaya has stated that they are seeking a sea outlet and the internationalization of Arica.

[Answer] President Pinochet has never conditioned the search for a solution on the assumption of a new government. He has simply reported our position, [illegible] it will be difficult to talk with Bolivia while it does not resolve its internal situation, during an election process which was very confusing. The remarks [illegible] Anaya which you mention are a part of a framework of statements to which the Chileans are accustomed from Bolivia. At times they ask for one thing, at other times for another. In general, they are all related to the Bolivian problem of an outlet to the sea, and we have always had a very clear and definitive position regarding this issue: There are no pending border problems between Chile and Bolivia. All of the problems were resolved by virtue of the treaties voluntarily signed after the War of the Pacific. Bolivia claims a landlocked situation, and we have shown the foreign ministers and the world in general that, among landlocked countries, Bolivia is the one which has more access to the seas on one side and the other, in a very favorable way indeed. Despite this and because we understand the Bolivian problem, President Pinochet was willing to seek a solution to the problem. As you know, the talks were making good progress.

In the course of these negotiations and for reasons which are still not quite clear to us, Bolivia unilaterally broke diplomatic relations with Chile. We have always stated that it is possible to discuss under any circumstances. Negotiating demands formal relations. I would say that in this case the initiative should come from Bolivia.

[Question] The Thursday newspapers published a reply from former President Frei to former President Alessandri, in a meeting which they are holding. There was a mention in it of Chilean foreign policy. It indicated the present isolation. In other words, conflicts; well, not conflicts, but negotiations with Argentina, Peru, Bolivia, problems with the United States. Do you believe that at present Chilean foreign policy is isolationist?

[Answer] No. I fully reject this political evaluation, which is the product of the discussions between two former presidents. As the person responsible for the leadership of Chilean foreign policy, I am probably the most appropriate person to say whether I feel isolated or not. I do not feel isolated at all. Right now we have excellent relations with Peru. I have already explained what the situation is in the case of Bolivia. We feel very close to Argentina, even though we have the southern problem. We are always sorry when we have problems with Argentina, but far from feeling isolated we have, despite this problem, a very important trade relationship, indeed, a very strong one, one very favorable to Argentina. The ties with your country go beyond the border problems which we have mentioned. And with the rest of the world our foreign policy is very clear, very pragmatic; it is one open to all ideas, with no limitations other than those imposed by the principle of nonintervention in foreign affairs and the mutual respect which sovereign states owe each other. We even have close relations with China and with other countries of the socialist bloc, such as Romania. We are negotiating for trade with several socialist countries, just to show you the extremes. Relations with Europe are normal and bilateral relations with the United States are excellent, although they are disturbed, perhaps confusing for the people because of the Letelier case, which I believe must be mentioned to remove doubts. I would call this an irritating point, but I believe that good sense has finally prevailed everywhere. And although regarding the Letelier case there are some extreme groups in several parts of the world which see this issue as a scandal which may endanger the stability of the military regime, the truth is completely the opposite.

The Letelier issue is a confused and extraordinarily complicated one. While we get to know more about it--and until now we have learned about it through the U.S. press, press leaks we might say--it is an issue in which apparently some officials of the former Chilean National Intelligence Directorate and Cuban elements are involved; also mentioned are the New York TIMES, the Venezuelan intelligence department and other groups. But in sum, it is a criminal police case which we condemn, as we have condemned it since the beginning, and as a criminal case it has a legal channel for its proceedings. We believe that in this case the United States is undoubtedly seeking the truth and following procedures through the Justice Department. We have offered our cooperation, which was appreciated by the State Department, and the case has now fortunately taken the legal channel. When the formal accusation was made by the Justice Department in Washington on 1 August, which apparently implicated three Chileans, this fact was communicated to us. It was then that the extradition treaty, signed with the United States in 1902 for dealing with these cases, came into the picture. As the Argentines know, we are very strict in complying with international treaties and we have always defended this position. Therefore our position could not be any different. On the basis of this treaty the United States has asked for the provisional arrest of three individuals who are going to be subject to a trial for extradition, in accordance with what has been announced, and we have complied with this procedure.

The United States announced that during the next few weeks it will send the extradition dossier itself. And this is where the problem leaves the sphere of the executive branch and passes directly to our Supreme Court, whose independence is and always has been recognized throughout the world. And it is here that the case will be dealt with in accordance with the evidence which is submitted. It is the government's intention to obey the decision, no matter what, of Chile's independent judicial branch.

[Question] Mr Minister, is there a clause in this treaty which establishes that when it is a case of political crime Chile can decide not to extradite the three accused persons? Will Chile use this clause? Because I believe you met last night with the Supreme Court president....

[Answer] I meet with the president of the Supreme Court frequently. He is an official of the government and it is natural for us to meet frequently. At the meeting you are talking about none of the subjects we are dealing with now was discussed. It was a strictly personal meeting.

We do not know what the judicial branch will do, first because they have no reason to let us know. It is a fully independent branch. In addition to this, since there is still no background information, no evidence has been brought to us, and the legal case for extradition has not been submitted yet. Not even the judicial branch can answer your question at this point.

[Question] Do you believe that this situation affects the prestige of the armed forces government?

[Answer] No. I believe that...well, you know yourselves the way in which intelligence services all over the world, including in Argentina, operate. These services are bodies which have very sensitive tasks to fulfill and are accused of very many things, but we would prefer not to express any opinions until we know exactly what the situation is. So far all we have are assumptions which we want to see confirmed by the evidence the U.S. Justice Department may have collected.

[Question] Mr Minister, there is a lot of talk abroad about General Leigh and the resignation of 19 generals. The obvious conclusion is that an armed forces branch which loses 19 generals might feel the impact and that this might affect the coordination and unity of the armed forces. Do you believe this possible or do you think that this case is closed once and for all?

[Answer] I consider this case closed once and for all. For almost 5 years the government Junta has maintained an admirable unity. The disruption you mention took place for reasons which should not be analyzed at this point. There has been a change, in accordance with the laws we abide by. Though it is true that the generals you spoke about left the air force for reasons of loyalty, their places have been taken by fully prepared and experienced officers and, as the new air force commander in chief has stated, the air force is strong, united and fully prepared to deal with any situation whatsoever.

[Question] Mr Minister, have any deadlines been established for the institutional normalization of the country through elections?

[Answer] Of course. The president has stated in many speeches that there is a process aimed at a new institutionality. The stage we are now experiencing is one of greater civilian participation. I am an example of this participation at the level of international relations. The interior minister is also a civilian. He is in charge of coordinating this new institutional process. The commission which is working on the new constitution will submit the new draft constitution to the president by 20 August. This draft will be submitted to the government junta and to a broad discussion. Within a relatively short time it will be put before the people by means of a plebiscite.

[Question] Isn't there an established deadline? In his well-known remarks (to the Italian newspaper) General Leigh spoke of a 5-year period, which is what gave rise to the crisis. However, it is believed that this period of time will not be enough?

[Answer] No. The president did not want to categorize with regard to deadlines, because he wants to see and analyze the reactions, the discussions and the results of the talks which will be held on the new constitution.

BRIEFS

RESERVES INCREASE--According to reports from the Central Bank, Chile's net international reserves increased by $210 million during the first half of this year. Increases until 21 July reached $452 million. The bank's president said that this year's balance of payments should result in a surplus of $500 or $600 million. He also added that imports during the first semester increased 23 percent. During the same period, nontraditional exports (excluding copper, saltpeter, iron, fish meal, paper, cellulose and cardboard) increased by 29 percent. However, there was a decrease in traditional exports, totaling about $100 million. Finally, he stated that the country's gross reserves on 21 July reached $1.13 billion. Of this figure, 43 percent is in dollars, 12 percent in deutschemarks and 10 percent in yen. [Santiago Chile EL MERCURIO in Spanish 2 Aug 78 p 1 PY]

INFLATION RATE GROWS--Santiago, 3 Aug--The National Statistics Institute today reported that inflation in Chile grew by 2.5 percent in July. Therefore, the accumulated inflation rate for the first 7 months of the year totaled 17.6 percent. Consumer prices in Chile rose 63.9 percent last year. [Paris AFP in Spanish 2301 GMT 3 Aug 78 PY]

NEW ARMY DRAFT LAW--A new army draft law which has been approved by the legislative board imposes military service on Chilean citizens aged 18 to 45, both men and women. Men will be subject to conventional military training, while women will perform special auxiliary services. [Santiago Chile Radio Mineria Network in Spanish 1000 GMT 4 Aug 78 PY]

PETROLEUM EXPLORATION PLATFORM--Rear Adm Guillermo Montero Letelier, director of Naval Docks and Yards [ASMAR], reported last night that he signed a contract on 17 July in Houston, Texas, with the U.S. firm Levingston Shipbuilding Company for a mobile, self-elevating platform ship to be built at the ASMAR shipyards in Talcahuano. The platform will be built for the Houston firm Diamond M, which will then rent it to the National Petroleum Enterprise. That Chilean state enterprise will use it for petroleum prospecting in the Strait of Magellan. Construction will begin in August and finish in December 1979. [Santiago Chile EL MERCURIO in Spanish 26 Jul 78 p 1, 37 PY]

PRESIDENT TURBAY AYALA'S INAUGURATION ADDRESS

PA0803345Y Bogota Domestic Service in Spanish 2140 GMT 7 Aug 78 PA

[Excerpts] The oath that I have just taken commits me before God and before the nation, to fulfill loyally and faithfully the duties of constitutional president of the repuplic from 7 August 1978 to the same day in 1982. I look forward to turning over to my successor a country abiding by the law in which the people and the armed forces nobly continue to uphold democratic institutions and representative structures as is being done today at the end of an administration which passes to the judgment of history and which I received from my illustrious predecessor President Lopez Michelsen. [applause]

Problems Facing Colombia

The complex difficulties that characterize development and social justice--added to inflation, the ills of growth, the increasing wave of corruption and immorality faced by most countries--have made the present world unsafe. They have forced nations to give immediate attention to these evils, such as my government is going to do with the great problem of reestablishing ethnic values and order in town and country. The reestablishment of these values is indispensable to civilized coexistence, and a prerequisite for development.

On assuming the presidency I convoke all my countrymen to join me in this undertaking which goes beyond the activities of the government and requires the cooperation of all national sectors and a great social mobilization against an enemy which grows more dangerous everyday if he is not attacked with all possible means. This does not mean a simple repressive policy; it entails a number of measures from the social and economic [words indistinct] ranging from amendments to codes, improving policy capabilities, improving intelligence services, utilizing civilian defense and promoting a more energetic attitude by the authorities with the people's cooperation, which until now has been very lax.

We have all agreed that insecurity and immorality are the most destructive evils, yet still many people are content to criticize these evils but do not fight them. My government hopes to change this dramatic social situation and to increase the number of civilians who are willing to cooperate with the authorities.

I insist that insecurity and corruption do not only hinder the government's task, but affect the people at all their levels. To reestablish these values is not the task of any party, but a national duty. Only those who want a change of system at any cost can be against this policy. However, I refuse to believe that there can be anyone who is democratic and yet can remain indifferent to this undertaking and will receive the [illegible] from my administration.

The speed with which we will put in motion some of these measures will depend partly on the priority given them by Congress. Because I am practically a life member of Congress and respect its patriotism and talents, I will not hesitate to convoke special sessions to make the changes that seem necessary to succeed in this great crusade for security. Many measures related to this matter will be submitted to Congress for study. These measures, although not indispensable, cannot be postponed.

The Supreme Court's ruling that the law convoking a Constituent Assembly was unconstitutional has doubled the work of Congress. Colombians are looking expectantly to Congress. The responsibilities of Congress were always great, but now they are even more so. I would dare say that never can its work been more closely watched by the people and never have there been greater hopes for the effectiveness of its renovating task. The Congress has before it a broad panorama and it can, if it so determines, elevate its prestige to the highest levels and earn the recognition of the country's majorities. In the great stages of our republican history both houses of the legislature have unlimited possibilities for achi[illegible]

This Congress can be identified in the country as that of the great reforms, those which like the reform of the Congress itself, the judicial system, the administration, the electoral system, the institutionalization of the parties and the joint decentralization of administration and development are awaited by the nation as the last opportunity for the legislative branch to save a situation which involves the very survival of Colombian democracy.

I do not pretend, as chief of the executive branch, to excuse myself from responsibilities in this passionate battle. On the contrary, by making use of the government's colegislative capacity, the executive and legislative branches will jointly face the difficulties and will accept the tremendous historical and political challenge which we have before us. I did not come to the presidency of the republic to shirk my duties; but to assume all of my responsibilities. [applause]

My concern as ruler is not just for the problem of individual insecurity, which is serious, but more especially for the security of the state, which is being threatened by many factors. In reality, the state is more vulnerable than many realize. It lacks effective legal tools to defend itself without having to resort to the state of siege, which keeps being extended in spite of all the governments, damaging the country's international reputation. Abroad it is believed that the state of siege is being used here for purposes other than those of preventing the factors which cause disturbances. It is ignored that under the pretext of disruption of public order, the government cannot prevent meetings of the legislature or (?dismiss) it from its legislative function, as happened in other times.

In addition, the president and his cabinet ministers are responsible for any abuse which they might have committed under the powers granted them by Article 121 of the Constitution. On the other hand, the government will send to the Supreme Court of Justice, on the day after their approval, the legislative decrees which it may issue under the special powers of the article in question, so that the supreme court may definitely determine their constitutionality.

Nevertheless, my government plans to seek a legal measure regarding state security which will permit the institutions to function and defend themselves from the dangers which threaten them without having to resort in every case to the distorted system of the state of siege. I can assure my compatriots that in my hands, freedoms will not be in danger, nor will guarantees be restricted, but the exercise of severe authority under the Constitution and democracy to preserve them will not be impaired. [applause]

I Understand that I would not be fulfilling all of my duties if I did not call upon the democratic labor centrals to carry out their corresponding work in a modern state as an essential factor of social order. The democratic labor movement must recover its former vigor and become the strong arm of the representative system, under the protection of which the working class has made all its conquests. I do not foresee the Colombian labor forces turned into docile instruments of extremist strategy. Under my government there will be ample guarantees for union activities and labor organizations will not be discriminated against on the basis of ideology, although we will take into consideration the intent and nature of their actions. The government will protect any grievance movement but will be inflexible regarding any subversive attempt. There will be full guarantees and reflective support for the causes which do not overstep legal bounds, but there will be no tolerance for those who try to obtain power through procedures other than democratic ones. [applause]

Reducing Unemployment

As I promised during my election campaign, I hope to decrease the rate of unemployment produced by the natural consequence of the belt-tightening treatment which all economic schools advise as an essential part of the struggle against inflation. My government will not reject this procedure, but it will combine it with other measures to stimulate production, which is the most appropriate means to create jobs.

This strategy presupposes government and credit stimulation for the investment of profits in enterprises which generate massive employment and produce goods of social interest. The temporary decrease of government income which will be caused by this policy will be well compensated for by the effects which the creation of new jobs will generate through the demand for goods and services.

Naturally, this strategy must be included as part of an organic and democratic plan. Disorderly growth brings problems which prevent our economy from taking off toward higher stages of development. I am a vigorous supporter of the efficacy of establishing a network of industrial areas in the cities and (?provinces) as well as stimulating free zones which incporate capital and technology in new enterprises, generating intensive employment and helping to strengthen the diversification of our exports.

I attach similar importance to the creation and structuring of cooperatives throughout the vast gamut of their possibilities for action. These mechanisms, when they are well-financed and managed, can bring untold benefits in the creation of jobs, the supply of goods and in controlling the spiraling cost of living. The country has only timidly approached the cooperative formula this sytem of production and marketing will, under my government, receive firm and determined support, just as the [words indistinct].

Development Plans

I believe that nothing has been so detrimental for our prosperity as the constant change of plans. With the desire to be original, we have had 12 different development plans in the last 26 years. It is possible that all of them were good, but none was fully implemented and, without exception, all were only half completed. Having their own development plan is surely the area in which the political parties which are fighting for power can most clearly establish alternatives for government. During my presidential campaign I maintained that under my administration I would assume the task of decentralizing and strengthening the infrastructure of agroindustry and small and medium industry, without detriment to the traditional industries which, in my judgement, is the primary beneficiary of increased demand from the not undefined [as heard] sectors of our national economy.

I do not believe in the presumed antagonism between a desirable rural prosperity and a no less desirable industrial expansion. These are complementary policies which deserve open and resolute support from the state. In no way do I wish to omit the importance I attach to the plans for integrated rural development, feeding and nutrition which are now in progress. Their social importance is indisputable, particularly for those who believe in the necessity of making the peasant's life more dignified as well as defending the threatened mental and physical health of the children of lesser economic resources.

It is imperative to provide the rural areas with services so that the peasant masses will remain in those areas, putting an end to the exodus to large cities where advaneture, vagancy and eventually crime await them.

During my presidential campaign, I said that development must not be seen only from a national point of view. It must also be viewed from the standpoint of neighboring countries. The European economic community is trying to create a policy of regional classifications, classifying them as homogeneous when they represent a social and economic unity. They are classified as polarized when they are built around important cities with which there is a relation of interdependency. They are classified as planned when built around an economic development program. They are classified as administrative when they have a legal foundation and as border-type when the regional unit is built around countries which border on each other.

Latin American Integration

In the process of Latin American integration, we must commit ourselves more boldly to a policy of border regionalization with Venezuela and Ecuador. The economies of these countries are interdependent with or without integration, and the natural thing to do is to exploit this situation to the fullest in order to achieve major development goals in the areas which are economically complementary, as is already beginning to happen with Venezuela. The border integration that I have been talking about does not affect the broader ranging processes such as the Andean [pact] and LAFTA [the Latin American Free Trade Association].

The former has had more dynamic results than the latter. This goal requires a great boost which I expect to achieve at talks at the highest level with Cartagena agreement signatory countries. I hope to obtain for the country the greatest benefits from participation in the integration processes. This requires ambitious and clearly defined general and regional policies. On the other hand, we will fall into the orbit of other countries which have already established a suitable policy.

During my campaign I also said that during President Kennedy's time, the United States backed Latin American integration and advocated a multilateral policy, which made the countries in the area seek cooperation among themselves. The United States changed this policy for a bilateral one, claiming that Latin America does not exist as a unit and that each country is a special case. This bilateral attitude has made the countries of this hemisphere lose the coherence that they had in other eras regarding their relations with the United States. It is undeniable that we move in orbit in which the United States, the greatest Western superpower, exerts its greatest influence. We have cordial relations with the United States, with which we have many joint problems to solve and for which certain forms of cooperation are indispensable.

I must express my thanks to President Carter for the aid which he offered me in a recent letter for those joint undertakings that require the attention of the two countries. We can start working together in certain areas.

My administration will do all that it can to prevent, among other crimes, drug smuggling and liberal trade. The latter would be more easily controlled if the U.S. Government could uncover and eliminate the financial assistance which such criminals receive from the eager American traffickers and users. With the valuable help of the armed forces, the attorney general and the specialized bodies in the fight against narcotics, I will continue the campaign which the Lopez administration began against this type of crime. We will curb these criminal activities. [applause]

Foreign Policy

In the field of international activities--safeguarding the interests of peace; obtaining technology, trade on a reasonable basis and stable prices for our raw materials; defending human rights; strengthening the OAS; and creating a new economic and social order--there are many possibilities for more cooperation between the United States and Colombia and other nations in the hemisphere.

Our foreign policy will not lose its traditional context of ideological pluralism. We are unmistakably linked to the democratic representative system. We defend and practice human freedoms and rights. We uphold people's self-determination. We do not believe that an armed victory engenders legality. We defend the principle of nonintervention and we advocate a new international order with a better distribution of economic and political power. We reject any type of colonial dependency. In our capacity as a small country, we practice our full sovereignty with pride and honor.

I plan to expand the sphere of our relations during my administration and have great diplomatic openness toward the vital areas of Africa, with which, even though we have so many similarities, particularly in the field of production, we have not maintained active relations that might permit us to exchange experiences and hold a constructive dialog on the problems of the international community in which the black continent wields undeniable decisionmaking power.

I realize that ruling a country has always been a difficult task, but now there are more problems, problems which are resulting in the serious social crimes that characterize most of the developing countries. We would surely have fewer problems if, within a policy of more solidarity, the great powers would change the unjust terms of international trade. The unstable price of raw materials in the world market creates great limitations on the process of developing nations and poses a serious threat to social peace.

Economic Policy

My predecessor's government started an ambitious economic policy, which identifies him with national interests and which my government hopes to continue and broaden. By temperament, I am an enemy of any kind of adventure. My government's economic policy will be characterized by its moderation. Monetary and exchange strategies will not be submitted to new or risky experiments. Instead, they will be handled with utmost prudence. The ideal of a healthy currency will remain the course and the goal that my administration will pursue. I have assumed the serious responsibility of Colombian [word indistinct] in favor of an economic policy of a popular type and I have no intention of replacing it with measures that will alter the social content of my government program.

To increase agricultural, industrial and livestock production and to give reasonable support to the [word indistinct] sector of the economy, which has shown that it is capable of taking care of one-fifth of total employment in the cities, are plans which I will pursue on the basis of the ideas of increasing job opportunities, creating a greater demand for goods and services and promoting the redistribution of incomes.

Although there is a possibility that coffee prices may drop in the international markets, it has occurred to me to restrict exports but, instead, I will encourage other exports which will contribute to filling in for the money we will stop receiving in an eventual coffee crisis.

I insist on giving special importance to the diversification of exports. I expect to take advantage, as much as we can, of Colombia's comparative advantages to participate in foreign competition.

A more dynamic participation of our products in [words indistinct] but in international markets are not far-fetched possibilities if the government makes the decision, as my government will do, to give facilities and protection to those who undertake the different economic activities within the possibilities of businessmen. We will combat the forces of negativism with democratic planning, our people's industriousness and the stimulative effort of state organizations to reach an understanding between the workers and businessmen, the consumers and the government. We will put to work all of the nation's financial resources which the government scrupulously controls and make sure that public employees carry out their duties in an austere fashion.

I trust that the people's determination to achieve better living conditions will lead Colombians to fully accept the fact that the revenue obtained from taxes will be used well and that, in time, they will be assured that there will be no tax evaders.

We will have to be prudent and firm. It is not easy to act during periods of change if you follow rigid strategies. Flexibility in dealing with the complex economic conditions should not prevent the country from formulating medium and long-range plans, nor upset laws and regulations which guarantee investment, promote savings and attract the abundant local wealth that has been taken out of the country under various pretexts. Capital is still a scarce resource, but indispensable in achieving essential economic goals. Let us face the current challenge without pessimism and let us be prepared for a struggle which demands collective discipline and renewed energy and confidence in Colombia and its government.

Political Participation

It is public knowledge that I owe my election as president of the republic to the Liberal Party. I was not elected by a coalition, but rather opposed by a coalition of heterogenous forces whose numbers are difficult to determine, although everyone knows that the majority belong to the Conservative Party. Such a development permits me to say that the great traditional political groups continue to enjoy the full support of the masses and continue to represent the strongest government choices.

The claim that the main force of the coalition that supported Dr Betancur is conservative is not unfounded, but based on the results of the 26 February elections for public corporation posts, which confirmed that the second strongest party is the Conservative Party. [applause]

Article 120 of the Constitution, in establishing that parity in the ministries, governorships, mayorships and other administrative posts not included in the civil service [words indistinct] 7 August 1968, provides that in order to preserve the national spirit in the executive branch and in the public administration, the appointment of such officials shall be done in such a manner that the majority party, other than the one to which the president of the republic belongs, will be given adequate and equitable participation. The same article authoritizes the president to appoint members of the armed forces to posts in the public administration.

In this initial stage of my administration I have decided to allow members of liberalism, conservatism and the armed forces to participate. I find greater affinity with these forces in starting the difficult job of governing than with others that also formed part of the coalition which supported Dr Belisario Betancur.

Without undermining the basic guidelines of my government program and the autonomy of my power, I have wanted to accept the convenience of having a policy of deliberation and commitment concerning the major problems in public life. I do not think that major reforms should be undertaken without an agreement between the parties represented in the executive branch. After such agreements are reached, I cannot understand how the signers could reserve the right to be both members of the government and members of the opposition.

The former coalition candidate has said that he will not cooperate, but that he will monitor the administration in which he has allowed his followers to participate. However, for the sake of harmony with the Conservative Party, I do not intend to propound a controversial position as an excuse to stop seeking agreements with that party regarding the best way to tackle national ills. Equitable and adequate representation is a constitutional mandate. The will to talk over matters is a firm desire on my part that will not cease in view of the decision that the followers of the former candidate should cooperate while he watches without making any commitment. I respect the honor of the Conservative Party and I do not doubt that its spokesmen in the government will carry out their political role and their duties honestly. [applause]

I hope that the country will see in my attitude of dialog, more than in the adequate and equitable participation, the firm desire of my administration to reach an understanding with the Conservative Party. I also want to talk with the other political forces in the nation.

The end of the national front and the controversial institutions of alternation and parity will in no way represent a return to the homogeneous, exclusionary governments. After parity, the national spirit will be preserved in the administration in which I hope to be filled by members of the Liberal Party, the armed forces and authorized spokesmen of the two major conservative factions. My administration will never try to (?impede) the process of conservative reunification or to become involved in the matter of its status. The rifts between such worthy conservative factions will by no means be (?reflected) in the council of ministers.

The presence of various political groups in the government presupposes a standing agreement among the authorized spokesmen of the parties. The decisions submitted to the council of ministers will not be imposed by the president but rather will result from his discussions with his coworkers. There will necessarily be concerted action.

My administration will not do anything to obstruct the creation of other parties that hope to focus new trends of national opinion. As far as my own party is concerned, I hereby state that I will deal with its legitimate executive boards and will not interfere with the activities of the directors which the party has freely chosen.

I do not hope to have the unlimited solidarity of my party but I do hope to have its conscientious support to cope with the difficulties that pertain to my duties as the government's leader. Of course, I am not unaware that, as a majority force, the Liberal Party has contracted unfathomable obligations to the nation. The Liberal Party is one and its duties are common to those who have been elected by its votes to the Houses of Congress or the presidency of the republic. As I swear to abide by the national Constitution and as I go from the Liberal Party's leadership to the government's leadership, my obligations are to the entire country.

Role of the Church

The country overcame the religious struggle which divided Colombians during the past century and even in the early part of this century. The major constitutional reform in 1936 entailed an advancement by guaranteeing freedom for all beliefs that are not contrary to Christian morality and by setting forth that no one will be compelled to profess beliefs or observe practices which are contrary to his conscience.

It was also established that the government could reach agreements with the Holy See, subject to subsequent approval by Congress, to regulate relations between the state and the Catholic Church on bases of reciprocal deference and mutual respect. Since the council the church has demonstrated greater appreciation for the role of elections in our country than in the past and greater interest in the elimination of certain despicable social ideas which before enjoyed the sympathy of more than a few prelates who viewed big capital with benevolence.

Between the church fettered to feudal structures and the new church, I prefer the one which can contribute toward preparing the country psychologically for the great social change which before used to be considered a diabolical communist plot. [applause]

Under my administration, mutual respect between the two powers will be an invariable norm. I will not invade the sphere of the church and I will not permit, as surely no one would try to, intrusion into the state sphere.

I will maintain relations with the Holy See as set forth in the Constitution. I do not fear that a schism over the matter of the authority of the pontiff or hostility toward a government leader who proclaims both his Catholic faith and respect for his constitutional powers will arise from the agreements which I may eventually reach with the Vatican. [applause]

The Armed Forces

As time goes by, the country's gratitude to the armed forces increases. In our country, they not only guarantee constitutional order but helped bring about de jure rule. In 1957, in a historic joint action civilians and military men decided to topple the dictatorship and restored to Colombia its unmistakable characteristic as a law-abiding country. In the past 20 years, soldiers and policemen have laid down their lives in compliance with the pledge of allegiance to the Constitution and the laws. Their work has been patriotic, self-sacrificing and effective. Even though it has not been sufficiently recognized and appreciated in all cases because a few criticize them constantly and unjustly, protected by freedoms that they guarantee.

My administration calls for solidarity with the men of the armed forces with whom we will have to share the intensive task of struggling against those who seek the reign of crime and would like to see Colombia ruled by undemocratic systems. As constitutional chief of the armed forces, I will not hesitate to carry out in solidarity with them the obligations which the Constitution spells out for them. We will not renege on our determination to prevent Colombia from falling into the abyss of anarchy. [applause]

Relations With the Press

I have deliberately wanted to leave for the last part of my speech the explanation of my relations with the press. As is natural in democracies, I have had both good and bad relations with the press. During the first part of my presidential campaign I did not have the honor of enjoying the support of the large newspapers. Instead I had the generous and firm support of the popular press. Later, fulfilling a commitment of honor (?in which it was involved), EL TIEMPO provided loyal and firm support for a single Liberal Party candidate. The newspapers of other political affiliations defended their candidates and intensely fought against me.

I easily recognize that those who supported me did not acquire by that mere fact the right to act as official spokesmen of the government. Our pride as democrats comes in great measure from the independence of our press. In a similar manner, the pride of the republican rulers is based on the respect of the freedom of expression that the Constitution establishes. I will not demand that the party's press back the actions of my administration nor will I complain of the just or unjust criticisms that are made of me. I will give explanations of the official actions when circumstances so demand because the public has the right to be objectively informed. I would like to see reciprocal respect in the relations between the press and the executive and not the contraposition of the absolute freedom of one or the other. We both have duties to the country and that will be our essential point of agreement.

Conclusion

Mr President of the Congress. More than 20 years ago, as you just recalled, I had the pleasure of meeting you when you were an excellent law student at the University of Cauca which at that time was granting me an honorary doctorate. Since that day I have enjoyed the privilege of your friendship.

Besides being a good soldier, you are also a good scholar, a brilliant speaker and jurist, an excellent journalist and, above all, an outstanding representative of liberalism in your department. I accept the generous remarks you have expressed about my person and your references to my public activities, such as I accept all honors, not as a dazzling prize, but as new encouragement to continue fighting for the cause of the people.

President Lopez: You have been, you are and you will always be a determined fighter. That characteristic will make the din of battle follow you wherever you go. Such are the natural conditions of a battle. Today you leave the presidential palace to enter into the hall of history. I shall wait for you at the valley of posterity to express my gratitude as a democrat and as a Colombian for your constant dedication at the service of Colombia. [applause]

I am specially pleased by the honorable presence of the President of Venezuela, Dr Carlos Andres Perez, and his distinguished wife [applause], the President of Bolivia, Gen Juan Pereda, and his wife [applause], the president of the Supreme Council of Government of Ecuador, Adm Alfredo Poveda [applause], the chief of government of Panama, Gen Omar Torrijos [applause], the vice president of the Supreme Soviet, Mr Kuznetsov, the prime minister of Peru, Mr Oscar Molina [applause], the foreign ministers, the secretary of the treasury of the United States, as well as the other special delegations and the ambassadors who lend prestige to this event.

It is most gratifying to find myself surrounded on the first day of my administration by such distinguished personalities of the international world, and I would like to express the sentiments of my fellow countrymen in according you the most respectful and cordial greetings from my country. This is not a tribute to the person who today assumes his new post, but a tribute to Colombian democracy in the person of its president. [applause]

As the result of a process that does honor to Colombia, its government and its people, and after an intense campaign, I have fairly and clearly reached the presidency of the republic. Aware of the strategies used against me and the charges made against me which, if true would have discredited the country more than myself, I do not wish to remember any insult or harbor any feelings of resentment. [applause]

After having endured the campaign, the trust deposited in me by the nation constitutes an encouraging incentive. It is a relief from thinking about those who thought that the resolute will of a nation could be changed with insults and slander. [applause] The predominant sentiment in me is not one of revenge, but of love and the determination to serve Colombia, our noble and just fatherland. [applause]

Evoking the memory of my parents--an honest Christian immigrant from the Middle East and a virtuous woman from the province of Cundinamarca--I offer my election to the people who were responsible for my victory. [applause] My victory does not fill me with thoughts of vanity, but commits me more to those who suffer, to the people of the [word indistinct] department, of which I am a native, to those who now know that, behaving as a nation [words indistinct] they shall now also be able to attend the [word indistinct] of the government.

One of the most useful lessons of this memorable campaign is the fact that the power of decision has definitely been placed in the hands of the people, and my greatest aspiration is that the people may be prepared to defend and preserve this victory. [applause]

GOVERNMENT DECISION TO RELINQUISH POWER REITERATED

PA031646Y Quito Voz de los Andes in Spanish 0300 GMT 3 Aug 78 PA

[Excerpt] Military regime spokesman Rear Adm Victor Garces has said that the armed forces are not concerned by the presence in the elections of populist candidate Jaime Roldos, who won the 16 July presidential elections.

Garces added: If Roldos is an Ecuadorean citizen who has met all the legal requirements, has announced his candidacy and is now getting the Ecuadorean people to follow him, why should the armed forces be concerned?

The spokesman ratified the government's decision to turn over power to whoever comes out victorious in the second electoral round. Roldos Aguilera, absolute winner of the first round, and the first runner up, as determined by the Supreme Electoral Tribunal's vote count, are expected to participate in the second round. But because of the way in which it is being carried out this vote-counting process has elicited the irate reaction of a number of political representatives, who are now holding talks on the formation of a civilist front for the defense of the popular will as expressed at the polls on 16 July.

PRESIDENT OF ELECTORAL COURT THREATENS TO RESIGN

PA051601Y Quito Cadena del Triunfo in Spanish 1255 GMT 5 Aug 78 PA

[Text] Jose Baquero, president of the electoral court, a man who has been in the news for many months, was interviewed at the end of this hectic week. He said the week was not only hectic but difficult. One indication was his warning of a possible resignation.

[Begin Baquero recording] We are not making threats. This is simply a warning that if the tribunal loses its prestige and the confidence of the citizenry because of the repeated and unwarranted attacks against it, our presence in it would be useless. As you can understand, by what authority would the tribunal continue operating if there is no trust of the judges? Obviously, this would occur only in an extreme case because we will not fail to fulfill our duty. This is simply if we continue to be insulted and attacked as has been the case until now. However, if these attacks make the tribunal inoperative [words indistinct] we would find ourselves forced to quit.

[Question] Doctor, has this been a very hectic week?

[Answer] Extremely hectic, difficult and vexing. [end recording]

BUCARAM ANNOUNCES HE WILL RUN FOR CONGRESSIONAL SEAT

PA060425Y Madrid EFE in Spanish 2255 GMT 5 Aug 78 PA

[Excerpts] Guayaquil, 5 Aug (EFE)--Asaad Bucaram, experienced populist leader and head of the Concentration of Popular Forces [CFP], has announced his intention of running for a seat in the next Ecuadorean Congress. According to the "plan to return" to constitutionality, the new president will be the one to call for legislative elections and Bucaram intends to participate in them, because he has stated that he wants to oversee the strict compliance of the platform announced by his party from a seat in the national legislature.

COURT ORDERS RELEASE OF DOMINGO LAINO

PY0821547Y Asuncion ULTIMA HORA in Spanish 8 Aug 78 p 6 PY

[Text] Judge Antonio Escobar Cantero signed a resolution at noon lifting the imprisonment of Domingo Isabelino Laino Figueredo, vice president of the Authentic Radical Liberal Party [PLRA], and ordered his immediate release "without restricting the court from ordering his imprisonment again if this measure is justified by new evidence produced during the proceedings."

As is known, Laino was detained on 7 July by personnel of the police investigations department at Peru and Eligio Ayala streets. He was later transferred to the city jail on charges of having violated the laws on state security.

In the preamble of his resolution, the judge stated that "the police investigations department detained Domingo Laino on 7 July, complying with its legal duties and on evidence of presumed criminal activities punishable under our penal laws."

"Laino had a trial pending at this court on charges of having violated law No 209/70 and law No 294/55, and the reason his detention was not ordered at the time of his questioning was because he was then a national deputy and had constitutional immunity. Since the defendant ended his term of office on 1 April this year, and considering the circumstances which surrounded the case, there then appeared to be the prima facie evidence required by our penal procedure law to take the appropriate restrictive measure. According to the police report it was determined that Laino had several connections with extreme leftwing sectors, especially during his latest trip to the United States, through a Mary Louise Greenberg."

The preamble adds that "in his recent supplementary questioning the defendant gave a detailed explanation of his activities in the United States and denied that he was invited by Mary Louise as a representative of WOLA [Washington Office of Latin America], but by the WOLA vice president herself, Sister Jo Marie Greisgraber, who made a statement to the press in our capital and presented it to this court as evidence to be added to the dossier."

Finally the judge said that "at this stage of the trial and based on the preceding considerations and the content of the supplementary questioning of the defendant, we feel that the basic requirements demanded by Articles 6 and 337 of the Code of Penal Procedures no longer exist and therefore Laino's detention can no longer continue. Therefore, pursuant to the preceding considerations and the provisions of Article 350, last paragraph, of the Code of Penal Procedures, the judge resolves..."

The judge ordered Laino's release ex officio--that is, his release was not requested by his lawyers.

[Asuncion Radio Primero de Marzo in Spanish at 2100 GMT on 8 August reports that spokesmen at the city jail told the radio that the court order to release Laino had not yet been received at the jail.]

BRIEFS

LAWSUIT AGAINST EL PUEBLO--Roque Jacinto Avila, national deputy and member of the Colorado Party Executive Board, has brought a lawsuit against the weekly EL PUEBLO, official newspaper of the Febrerista Revolutionary Party (PRF), for alleged slander and insult. The newspaper published an article which stated that during the 1947 revolution Avila fought against the Colorado Party as a member of the Febrerista Party, from which he never resigned. [Asuncion HOY in Spanish 5 Aug 78 p 19 PY]

PERUVIAN RAIL, HIGHWAY SYSTEM TO GIVE BOLIVIA ACCESS TO SEA

PY082156 La Paz Radio Panamericana Network in Spanish 1700 GMT 8 Aug 78 FY

[Text] The Peruvian Government has made known its decision to build a railroad network and a highway system which will allow Bolivian cargo to use Peruvian ports. This important information was released by Foreign Ministry Under Secretary Marcelo Ostria Trigo, who said that this information comes from Lima and is therefore accurate. Here are Ostria's remarks as he announced the Peruvian Government's decision to build both networks to the border town of Desaguadero, [Peru]:

[Begin Ostria recording] Well, our embassy in Lima has just sent us a report from the Peruvian Transport and Communications Ministry which informs us that the building of a modern railroad network and an extensive highway system is to be carried out in order to attend Bolivia's cargo needs. The report indicates that the Puno-Desaguadero [Peru] railroad will be built with Peruvian resources and the Puno-Juliaca stretch of the Puno-Desaguadero highway will be paved.

The ministry also indicates that with this rail and road network the export of Bolivian products will be much easier through the use of Matarani Port. [Peruvian] Transport and Communications Minister Gen Elidio Vannini Chumpitazi's remarks are very important for our country because, as you know, our country needs as many channels as it can possibly get for Bolivian exports and imports. [end recording]

It has also been announced that the Peruvian Government will grant effective cooperation to the Bolivian cargo ship "Simon Bolivar." It will be given a berth which is adequate for its needs.

[Begin Ostria recording] The Peruvian Government has stated, in the person of that country's foreign minister during a reception offered last night--no, not last night but on 6 August, commemorating Independence Day--that it has decided to grant the same terms to the Bolivian merchant ship "Libertador Simon Bolivar" as those given to Peruvian flag ships. And it has also decided to grant it a berth at El Callao for its exclusive use. I believe this to be very important for the Bolivian ship's operations. [end recording]

Both decisions of the Peruvian Government were termed by Ostria as a gesture of good will toward the problems which Bolivia is facing. It is necessary to emphasize that Bolivian cargoes, both exports and imports, are channeled generally through the Chilean ports of Arica and Antofagasta. With the rail and road networks, part of our enormous volume of cargo can be channeled through the Peruvian ports of Ilo and Matarani.

FINANCE MINISTER SEES BALANCED BUDGET in 1980

PY081430Y Lima Domestic Service in Spanish 1200 GMT 8 Aug 78 FY

[Excerpt] According to Economy and Finance Minister Javier Silva Ruete, the budget deficit either will be zero or very minimal by December 1980. He said that this will be possible due to the strict implementation of the plan for economic reactivation launched by the revolutionary government.

He also said that the gradual normalization of productive activities affected by the economic crisis will be achieved as well. He added that special efforts will be made to reduce the budget deficit and curb inflation and indicated that the restrictions and measures necessary to achieve the reduction of public expenditures will be announced in the near future. Silva Ruete also announced that the foreign exchange market is returning to normal.

OFFICE WORKERS OF SOUTHERN PERU COPPER JOIN STRIKING MINERS

PA081946Y Buenos Aires LATIN in Spanish 2114 GMT 7 Aug 78 PA

[Text] Lima, 7 Aug (LATIN)--The administrative personnel of an important U.S. mining complex have joined the strike which the mine workers of Peru declared 4 days ago. A mining union spokesman said that the administrative personnel of the Southern Peru Copper Corporation, which operates the copper mines of Cuajone and Toquepala and the foundries in Ilo, decided to join the strike in solidarity with the workers.

The Peruvian mine workers declared the strike last Friday to emphasize various grievances, including the rehiring of approximately 400 workers fired during a general labor strike declared in July of last year. Meanwhile, all the mines operated by CENTROMIN-Peru, the country's government mining corporation, were on the 4th day of their strike today, according to information released by the National Federation of Mine and Metallurgical workers, a labor organization which represents between 60 and 70 percent of the sector's labor force. CENTROMIN-Peru operates important copper, zinc, silver and lead mines, in addition to the foundry in Oroya, in the central Andean region. The government company controls approximately half of the country's mining exports.

Frank Archibald, president of Southern Peru Copper Corporation, said yesterday that the strike in Toquepala, Peru's second largest copper mine with a yearly production of 140,000 tons represents a daily export loss to the country of $1 million. Nevertheless, Archibald said emphatically that none of the workers fired in Toquepala and Ilo will be rehired. Cuajone, which produces more than one-third of the country's copper, is the only copper mine which is operating normally, said a union spokesman. "However, its production cannot be processed in Ilo because it is shut down. The situation is as if it were also on strike," he said.

The strike is also affecting the iron mine of Arcona, 400 km south of Lima, but the steel plant of Chimbote, 450 km north of Lima and Peru's largest, is operating normally, it was reported.

The mine workers of Cuajone, the country's largest copper mine with a yearly production of 180,000 tons, are not affiliated with the National Federation of Mine and Metallurgical Workers. Therefore, the mine workers of Cuajone declare strikes only sporadically.

REPORT ON BANKING EMPLOYEES, HEALTH WORKERS STRIKES

PA082000Y Paris AFP in Spanish 1737 GMT 8 Aug 78 PA

[Excerpts] Lima, 8 Aug--Peru's banking employees reiterated today that they will strike on 3 alternate days this week as a prelude to a general strike for an indefinite period if their demands are disregarded.

The Federation of Banking employees, with 20,000 members, insisted today on resuming talks with the banks regarding its demands for wage increases and the reinstatement of 71 employees dismissed last year. The federation is demanding an increase of 15,000 soles ($94) monthly, on grounds that in the last 5 years, bank profits have increased between 18.5 and 51.4 percent. The banks, for their part, refuse to consider the reinstatement of the 71 dismissed workers and are offering a wage increase of 4,500 soles ($28) monthly.

Meanwhile, a strike by health workers, which is on its 22d day, appears to be nearly resolved with a staggered increase in the amount requested by the 35,000 health workers.

PEREZ COMMENTS ON ANDEAN PACT, DISPUTE WITH COLOMBIA

PA090300Y Caracas Radio Continente Network in Spanish 2050 GMT 8 Aug 78 PA

[Report by Freddy Batista, from Bogota, Colombia--recorded]

[Text] The mistake the Andean Pact member countries have made is to have negotiated individually. We must jointly negotiate with the transnationals. President Carlos Andres Perez said in a press conference given at the San Fernando Room of the Bogota Hilton Hotel.

Here is part of his press conference:

[Begin Perez recording] In my opinion, I think the mistake we have made in the Andean Pact is that when we negotiate with the transnationals we negotiate separately and do not present a single front, but they, however, join to achieve their goals. I believe that one of the things we should try to do is jointly negotiate with the transnationals and not do it separately.

One of the things that we should realize in the Andean Pact, and that we must be convinced of, is that it [presumably integration] is a slow, difficult process in which we cannot expect to obtain optimum results in a short time. We should not become desperate and the press should not publish big headlines announcing a crisis in the Andean Pact whenever there is a problem, because this contributes to discouraging the (?common) effort. If any of you [words indistinct] and have read the European newspapers when the European Common Market was formed, you will find that they had the same problems and difficulties the Andean Pact has. The media repeatedly reported crises, the dissolution of the market and resentment among member countries. The European Economic Community exists, but even today the media is reporting that it still has problems. [end recording]

The Andean Pact member countries should jointly negotiate with the transnationals and that is the way it will be done in the future. The work meeting of the presidents of the Andean Pact member countries concluded a few minutes ago. They agreed on the need to strengthen integration and to negotiate jointly. Venezuela announced that it will participate in the regional metals and machinery program.

As was reported by Radio Continente, President Carlos Andres Perez stated that it is not appropriate to submit the discussions over the Colombian-Venezuelan dispute on the marine and submarine waters to international arbitration. It would imply that there would be a winner and a loser and it would not be good for either Colombia or Venezuela. The Colombian-Venezuelan dispute should be solved by the two countries. President Perez also said that the probability is slim that there is petroleum in the area under dispute in the Gulf of Venezuela. The following is President Perez' reply to a question by a Colombian journalist: [begin Perez recording] Undoubtedly, in all this process of delimiting marine and submarine waters between Venezuela and Colombia, there is the underlying possibility that there is mineral wealth at the bottom of the [word indistinct], but if there is one fundamental truth known by petroleum-producing countries it is that the only way to know if there is petroleum is by drilling wells. There are systems such as the [word indistinct] exploration system which indicates the place where there might possibly [words indistinct]. It is highly probable that there is no petroleum in the area of the maritime boundaries, but nobody can say for sure. I believe that this dispute has been confused. I will repeat a statement which I made in Panama and which was published in full here in Bogota: There has not been sufficient courage or responsibility displayed on the part of the leadership of the two countries.

When I speak about leadership, I am not speaking about governments. I am speaking about all sectors and institutions which could influence the public; in other words, leadership that will create an awareness in our two nations of the needs for and the mutual advantages arising from a fair agreement and above all to leave clear in our minds, for Venezuelans and Colombians to reflect on, that integration is a [word indistinct] which we have to undertake if we want to be truly independent economically and if we really seek the well-being of our people.

I have said that not even Brazil, which is [word indistinct] in our region, can develop all its potential wealth and become a great nation without Latin American integration. This is also true of Venezuela and Colombia. The dispute must be solved and it should be solved [words indistinct]. We should devote the necessary time. But it is indispensable to create this awareness that will remove the impediments of a series of [word indistinct] steps, distrust, complexes which have been forming between two nations [word indistinct] the responsibility of Colombian and Venezuelan leaders. [end recording]

PRESIDENT SEES OIL PRICE INCREASE AS INEVITABLE

PA090259Y Bogota Radio Cadena Nacional in Spanish 1730 GMT 8 Aug 78 PA

[Text] Bogota--Venezuelan President Carlos Andres Perez announced here today that readjustments in international oil prices in the immediate future are inevitable. The Venezuelan president stated that the economic situation that Third World countries are currently experiencing makes it impossible to have stability in the prices for the raw materials which they produce and sell to the developed countries.

President Carlos Andres Perez said that Venezuela has suggested that OPEC unite efforts to retain fixed international market prices but so far no reply has been received and no agreement has been reached.

He suggested medium-term solutions to the problem of undocumented Colombians who live in his country. The president, who is paying a visit to Colombia, said that the illegal flow of people can have only one solution, border development, which requires the joint efforts of the two countries.

The Venezuelan president said that the increase in the employment rate will contribute toward border development. President Perez added that Colombia labor is needed in Venezuela, but the current lack of regulations permits the exploitation of undocumented persons. This situation is not good, for either Venezuela or Colombia, the distinguished guest added.

BRIEFS

CANECUTTER REPRESENTATION ON COMMISSION--President Carlos Andres Perez has issued a resolution granting canecutters permanent representation on the commission that will set sugar policy guidelines. [Caracas Radio Continente Network in Spanish 1000 GMT 22 Jul 78 PA]

DEPUTY FOREIGN SECRETARY URGES EXPANDED TRADE WITH U.S.

PA042256Y Madrid EFE in Spanish 1856 GMT 4 Aug 78 PA

[Excerpts] Mexico City, 4 Aug (EFE)--Juan Jose de Olloqui, foreign relations deputy secretary, made an appeal to strengthen economic ties between his country and the United States within a framework of "respect and dignity." In a speech given yesterday afternoon and published today, Friday, the deputy secretary said that the economic potential of relations between the two countries has barely been exploited.

He said that there is an "ample and unexplored" field in economic bilateral ties, and came out in favor of a new project for relations which will consider the situation of Mexico, which has great wealth and yet lives amidst poverty. Trade between Mexico and the United States is only 1 percent of the U.S. volume, De Olloqui said, and emphasized that it can increase. De Olloqui said that Mexican nationalism should not be misinterpreted, that it does not mean the rejection of foreign ideas, but only the reaffirmation of its own domestic values.

In another part of his speech to U.S. and Mexican businessmen, he said that "it is not easy" to coexist so closely with the largest economic power in the world. "This is why we must design a policy toward the United States which will allow us an independent political, economic and cultural development," and at the same time promote trade, "a task which has not been easy," he said. Mexico's trade with the United States is about two-thirds of its total volume. Last year, Mexico exported $2,398.6 million worth of goods to the United States and imported $3,484.9 million.

PEASANTS PROTEST, SEEK RELEASE OF COCEI LEADER

PA081933Y Buenos Aires LATIN in Spanish 0144 GMT 8 Aug 78 PA

[Text] Mexico City, 7 Aug (LATIN)--Forty peasants entered their 5th day of hunger strike in the UN Human Rights office here in protest over the disappearance of an agrarian leader reportedly arrested by Mexican authorities. The peasants, including 10 women, took over the office peacefully on 3 August and this afternoon gave the press a statement denouncing the disappearance of peasant leader Professor Victor Pineda Henestroza.

According to the peasants, the 30-year-old Pineda Henestroza was arrested on 11 June in downtown Juchitan, 800 northeast of this capital, by the military and his whereabouts since then have been unknown. Pineda Henestroza is a leader of the Isthmian Workers-Peasants-Students Coalition (COCEI), an organization which was set up in 1974 in connection with a struggle against local bosses who seized 68,000 hectares in the isthmus of Tehuantepec which according to the peasants had been given to Ejido peasants by presidential decree.

COCEI accused the Mexican state of using "repressive policies" to solve the nation's land problems caused by the hoarding of land by local bosses, continuous armed attacks upon peasants, imposition of authorities, exploitation of workers in the countryside and the "brutal presence" of the army, police and armed groups at the service of landholders.

BRIEFS

FOREIGN DEBT INCREASE--Mexico City, 30 Jul (LATIN)--Mexico's foreign debt increased by $1 billion during the first half of this year. An official report presented to the Chamber of Deputies said the debt had increased by 4 percent, similar to the same period last year, and now stands at $24 billion. [Buenos Aires LATIN in Spanish 1956 GMT 30 Aug 78 PA]

PLANNING MINISTER TO LEAVE POST FOR WORLD BANK

PA080309Y Panama City Televisora Nacional in Spanish 2315 GMT 7 Aug 78 PA

[Excerpts] The World Bank announced in Washington today the appointment of Dr Nicolas Ardito Barletta, current Panamanian minister of planning and economic policy, as new bank vice president in charge of Latin American and Caribbean affairs. Barletta replaces Argentine economist (Adalberto Viger Bacena) whose resignation was also confirmed today.

Dr Nicolas Ardito Barleta will probably leave the planning and economic policy ministry by the end of this month and will go to Washington to take over the important post.

Optimistic About Economy

PA090328Y Panama City Circuito RPC Television in Spanish 2000 GMT 8 Aug 78 PA

[Interview with Dr Nicolas Ardito Barletta, Panamanian minister of planning and economic policy, at the ministry presumably on 8 August 1978--recorded]

[Excerpt] [Question] How do you view, specifically, the prospects for the country's economy as you leave your portfolio?

[Answer] This has been a topic of special concern to me and it was specially significant when I weighed whether or not I should accept the post of World Bank vice president. My impression is that we are currently experiencing a situation which, objectively speaking, is far superior and stronger than the one we were experiencing just a year ago.

We have accomplished not only the negotiation but also the ratification of the Torrijos-Carter treaties which strengthen one factor of great historic, economic, political and international importance for our country, a factor which we Panamanians should take full advantage of. On the other hand, this factor along with others has had several effects in the economic sphere.

We have been able to refinance a considerable part of the public debt. Public financing is in rather good order and, if handled with discipline and prudence, it will permit the country to continue its development. In other words, the problem of public financing should in no way obstruct the country's development. On the contrary, the refinancing and the additional income which Panama will receive on account of the treaty should permit us to maintain a program of heavy public investments which will continue to contribute toward the country's development. In addition, the very economic situation, that is, private activities in the country, are already beginning to improve as we have said on several occasions.

I want to repeat that I am not saying that the current situation is good. The current situation is still relatively stagnant. Although better than last year, the unemployment rate is still high, the salary levels have not been able to increase as we have wholeheartedly wished. But what we can say with complete clarity--because this is visible and the evidence of it is clear--that there has been a recovery in the rate of private investment which is a good omen and in our judgment will permit a gradual improvement in the rate of economic activity in the next 18 months. I stress the word gradual. With a balanced economic policy such as the one we have right now we will be able to improve the country's economic situation.

COSTA RICA

NORMAL RELATIONS WILL CONTINUE WITH HONDURAS

PA081929Y Paris AFP in Spanish 1717 GMT 8 Aug 78 PA

[Text] San Jose, 8 Aug (AFP)--The Costa Rican Government will continue normal relations with the new Honduran Government, it was officially reported here today. The Costa Rican Foreign Affairs Ministry said that the change in government in Honduras will not affect relations between the two countries. Travelers from Honduras have reported that Honduran chief of state Juan Alberto Melgar Castro was overthrown last night and is in the custody of the armed forces headed by Gen Policarpo Paz Garcia.

NICARAGUAN FISHERMEN RELEASED, BOATS RETAINED

PA081952Y San Jose Radio Reloj in Spanish 1730 GMT 8 Aug 78 PA

[Text] The Nicaraguan boats remain under detention on orders of the mayor of Santa Cruz. A total of 27 Nicaraguan fishermen have been sent back to Nicaragua. The three captains will appear before the Santa Cruz mayor.

Interior Vice Minister Enrique Montealegre has reported that 27 Nicaraguan fishermen were deported following their arrest for fishing in Costa Rican waters. The captains of the three detained boats are at the disposal of the Santa Cruz mayor and will have to appear before national authorities. Two of the fishing boats being held are at Puntarenas and one is in Playa del Coco. The Nicaraguan Government arranged the release of the fishermen with our government.

EL SALVADOR

PEACE NEGOTIATIONS SAID UNAFFECTED BY HONDURAN COUP

PA090357Y Panama City ACAN in Spanish 0239 GMT 9 Aug 78 PA

[Text] San Salvador, 8 Aug (ACAN-EFE)--Foreign Under Secretary Roberto Antonio Mendoza Jerez said this afternoon that the overthrow of Gen Alberto Melgar Castro will not affect El Salvador's negotiations with Honduras. He said that political events of the neighboring country do not affect the peace process because there is an agreement signed by the two countries which establishes dates and other provisions that logically give the agreement a permanent character.

The under secretary stressed that the two countries are determined to carry out the peace process in accordance with what was agreed upon during the latest meetings with mediator Jose Luis Bustamante y Rivero. This was also established in the provisions of the agreement that was signed in Washington in 1969. "The nature of the agreement itself gives it a permanent character and the statement by the members of the government junta gives it force," Mendoza Jerez said.

He said that last night's events in Honduras will not interfere with next week's visit to El Salvador by the mediator. Bustamante y Rivero will come to El Salvador on Monday for a 5-day visit to meet with government officials and representatives of private enterprise and other secotrs. On 20 August he will leave for Tegucigalpa via Guatemala.

GUATEMALA

FOREIGN MINISTER SAYS RELATIONS WITH HONDURAS UNCHANGED

PA081925Y Panama City ACAN in Spanish 1910 GMT 8 Aug 78 PA

[Text] Guatemala City, 8 Aug (ACAN-EFE)--Guatemalan Foreign Minister Rafael Castillo Valdez said today that Guatemala's diplomatic relations with Honduras are unchanged. The official added that his country respects the principle of nonintervention in the internal affairs of other states.

Castillo Valdez went on to say that the change of government in Honduras does not affect the traditionally good relations "with that fraternal Central American nation." He said that he heard from the press last night of the resignation tendered by Honduran chief of government Gen Juan Alberto Melgar Castro and his replacement with a military junta headed by Gen Policarpo Paz Garcia. Castillo Valdez expressed pleasure that the new Honduran rulers declared that they will continue efforts to normalize relations with El Salvador.

GOVERNMENT ACCUSED OF UNCONSTITUTIONAL RIGHTS SUPPRESSION

PA060211Y Panama City ACAN in Spanish 2000 GMT 5 Aug 78 PA

[Text] Guatemala City, 5 Aug (ACAN-EFE)--The spokesmen of several labor and student organizations today accused the Guatemalan Government of "violating the Constitution of the republic under a regime of institutionalized repression." This is the first statement made after Friday's incidents in which antiriot police attacked several thousand workers and students who were staging a demonstration to demand an end to violence and repression against labor organizations.

The association of university students described the incident as "criminal repression against peaceful demonstrators who were exercising their civil rights which are fully guaranteed by the constitution."

The leaders of the National Labor Central and the National Committee for Labor Unity, who organized the demonstration attacked by police, made similar statements.

The "rejection" of the attitude of the government's security apparatus is also aimed at the consequences that derived from its repressive actions, especially concerning "the cunning attack on children and women who had nothing to do with the demonstration."

There were also commentaries on the fact that the police attacked from behind. "They did not even dare to carry out a frontal attack," it was repeated everywhere.

The labor and student organizations contradicted official reports by affirming that "there is an undetermined number of persons who were arrested." The morning newspapers today published pictures confirming this fact which, nonetheless, is rejected by the police. Labor and student leaders also noted that "at least one child was killed when he was trampled on by policemen who attacked the demonstrators." However, this incident has not been fully confirmed.

It was reported that there are more than 150 persons at the Red Cross, the only emergency institution which, according to the police, was allowed to act "because the authorities respect international agreements."

Most of these persons were treated for tear gas inhalation, but there were also some who were beaten and others with slight injuries caused by falls or beatings by police with clubs. Among the emergency cases were several children, some of them newborn babies who had been with their mothers shopping in the area of the demonstration.

There were still signs of the disturbances in the area today. Damaged clothes and other merchandise sold by street vendors who had fled the violence were scattered about the area. The acrid smell of tear gas still prevails in many places. Police vigilance continues with appropriately equipped personnel. The downtown section of the city was deserted last night. The stores even closed their metal doors. The theaters were also closed.

Government Countercharge

PA081956Y Guatemala City Domestic Service in Spanish 1230 GMT 8 Aug 78 PA

[Text] Guatemala City--Maj Rolando Marroquin, under secretary of public relations of the presidency of the republic, today said that Friday's demonstrators had not requested permission from the government to hold the rally. He blamed the leaders of the organization for having failed to comply with the laws of the nation.

HONDURAS

OFFICIALS COMMENT ON MELGAR OUSTER, CABINET CHANGES

PA081437Y El Progreso Radio Progreso in Spanish 1243 GMT 8 Aug 78 PA

[Text] All the ministers who visited chief of state Juan Alberto Melgar Castro last night will present their respective definitive resignations in the next few hours as they promised to do upon leaving the government palace. The collective decision was made by the chief of state's top advisers, including Cesar Batres, an attorney, and Guillermo Bueso, president of the Honduran Central Bank. Batres said that he is definitely leaving his posts as the main negotiator in the dispute with El Salvador and personal adviser to the office of the chief of state.

Finance Minister Porfirio Zavalas said that he had already presented his resignation, as had Economy Minister Dr Benjamin Villanueva. Villanueva said that despite his resignation, he hopes that the new government will do its best for the country, as this government has tried to do. Asked if Col Roberto Palma Galvez would make a similar decision, Villanueva said the he could not possibly speak for other persons regarding their strictly personal decisions.

Judging from the statements made by the principal aides of the former chief of state, there is a consensus that a collective resignation is the only viable alternative considering the fact that it was the demand for the dismissal of certain ministers that led to Gen Juan Alberto Melgar Castro's resignation or ouster. I can say emphatically that General Melgar Castro did not resign from his post; he has simply been removed by decision of the Superior Council of the Armed Forces, the general's main adviser, Cesar A. Batres, said at midnight last night. [Word indistinct] working in any post, because the removal of General Melgar is unjust. There was no reason for it. Moreover, I believe that the duty of personal allegiance exists. I respect this duty and I do not wish to evade it. The main negotiator in the dispute between Honduras and El Salvador, the most important problem in the country's international relations, added that he is abandoning this post because of an elementary duty of solidarity.

Asked about the reasons which led the Superior Council to remove the chief of state, Batres said that this question should be asked of those who are responsible for that decision.

Batres also declined to comment on the event's international repercussions, which may arise in the next few hours, saying that it will be necessary to wait and see what decisions are reached by the new regime and the foreign reaction to them. Finally, Batres reiterated that the chief of state did not resign from his post, but was removed, thereby completely refuting the bulletin which was broadcast last night.

The decision to replace chief of state Gen Juan Alberto Melgar Castro with a military junta came as a complete surprise to the members of the cabinet and the chief of state's main advisers. The first of these to come to the government palace was Information Minister Lt Col Eric O'Connor. He was followed by the chief of state's main adviser, Cesar Batres. Batres, visibly (?surprised), arrived at the palace in his shirtsleeves, with his hair in disarray. [words indistinct]. Later came Finance Minister Porfirio Zabala [words indistinct] the situation. Then came (?Vice) Foreign Minister Policarpo Callejas. I found out about the situation and came to pay my respects to General Melgar because he is my friend. [Words indistinct] the president of the Central Bank said. This comes as a complete surprise to me. He made no comment when asked if he is willing to continue to cooperate with the third stage of the military government. Government Minister Juan Angel Arias and Economy Minister Benjamin Villanueva [words indistinct] the questions of the press. They arrived at the government palace at a time when tranquillity prevailed.

While the ministers were paying their respects to General Melgar, rumors began to circulate about changes in public administration. Some of the persons present there [words indistinct] that most of the ministers would be removed from their posts, although in such cases it is customary for the respective resignations to be presented. It was rumored that Lt Col Rodolfo Bonilla will replace Lt Col Amilcar Zelaya as commander of the 2d Military Zone based in San Pedro Sula. [Words indistinct] it was also said that the Secretariat of Culture, Tourism and Information will be thoroughly reorganized, with the cabinet post being converted into a Ministry of Culture, Tourism and Sports, and that the Central Information Office will become directly subordinate to the military junta. It was confirmed that Col Jose Jorge Solorzano will be removed from his post as chief of internal security of the government palace. He has been replaced by Col Leonidas Torres Arias. Lt Col Eric O'Connor is to become ambassador to Panama, while a civilian, presumably present Vice Minister Armando Alvarez, brother of Lt Col Gustavo Alvarez, will become a minister. In addition, it is likely that Under Secretary of Government Lt Col Cristobal Diaz will replace Col Juan (Delgado). The government officials who visited General Melgar last night absolutely refused to comment on these matters. Not until today will there be a clear idea of the composition of the government cabinet and the reassignment of military posts.

FOREIGN MINISTER REJECTS CHARGES OF COUP

PA081634Y Paris AFP in Spanish 1617 GMT 8 Aug 78 PA

[Text] Bogota, 8 Aug (AFP)--Honduran Foreign Minister Col Roberto Palma explained here today that there has been a change of command, not a coup d'etat in Honduras. Asked by local newsmen about the changes in government which took place in his country on Monday, Palma, who came to Bogota to attend the inaugural ceremonies of the new government, said: "There is a Superior Council of the Armed Forces, which is the repository of power in my country. Gen Juan Alberto Melgar, to whom the council had delegated that power, presented his resignation." The term "coup d'etat," which has been widely used, does not, therefore, reflect the truth, the Honduran foreign minister said. "What has occurred has been simply a normal change of command," he said in closing.

CALM PREVAILS; MELGAR REPORTED AT HOME

PA082025Y Panama City ACAN in Spanish 2010 GMT 8 Aug 78 PA

[Text] Tegucigalpa, 8 Aug (ACAN-EFE)--This afternoon former Honduran chief of state Gen Juan Alberto Melgar Castro remained at his "Los Robles" suburban residence, while total calm prevailed in the country in the wake of the unexpected change of government ordered by the high military command last night. Since he left the government palace at midnight, accompanied by his personal escorts, General Melgar Castro has not left his private home, which is located about 10 km from Tegucigalpa. With him are his wife, his three children and a small group of people, including relatives and friends. There are no noticeable special security precautions around his home, which is near the 1st Infantry Battalion garrison. The former chief of state's aides this week [as received] picked up their personal belongings at the government palace and handed the files and a series of documents over to representatives of the triumvirate. Jose Jorge Solorzano, chief of the presidential guard, also left the government palace early this morning. Apparently he will be replaced by present Army Chief of Intelligence (G-2) Lt Col Leonidas Torres Arias, the right-hand-man of Gen Policarpo Paz Garcia, president of the triumvirate. The president of the military junta has been at the government palace since 1000 this morning (1600 GMT), taking over his new duties. It was reported that he spoke with some of the batallion commanders and members of the Melgar Castro cabinet.

NICARAGUA

PRESS REPORTS ON NEW GOVERNMENT IN HONDURAS

PA081728Y Panama City ACAN in Spanish 1635 GMT 8 Aug 78 PA

[Text] Managua, 8 August (ACAN-EFE)--The initial reaction of the Nicaraguan news media to the report that Honduran chief of state Juan Antonio Melgar Castro had resigned was that "a great friend of President Somoza has fallen." Some radio newscasts recalled that "against the protests of some sectors of the Honduran people, Melgar Castro's government launched 'Operation Veloz' a few months ago to rid the Nicaraguan border of Sandinist elements fighting against Somoza's government." Political observers in this country were waiting today, Tuesday, to see the orientation which the military triumvirate will give to the new government of the country to the north, although it has been classified beforehand as rightist. The semi-official newspaper NOVEDADES, owned by the Somoza family, limited itself to publishing a front page report entitled "There Is a New Government in Honduras." Government circles are awaiting reports from diplomats in Tegucigalpa before commenting on the unexpected change in the Honduran Government announced last night.

'GROUP OF 12' JOINS OPPOSITION FRONT

PA041741Y Managua LA PRENSA in Spanish 27 Jul 78 pp 1, 10 PA

[Text] Broad Opposition Front [FAO] sources have reported that the "Group of 12" definitely joined the organization this week. The organization includes all the political groups which oppose the Somoza dictatorship and are struggling to make his overthrow a reality in the near future. The FAO includes the Democratic Liberation Union (UPEL), the Nicaraguan Democratic Movement, the Authentic Conservative Party, the Official Conservative Party, the Aguerist Conservative Party and the Social Christian Party. With the incorporation of the "Group of 12" and the Confederation for the Unity of Trade Unions (CUS), the FAO strengthens and broadens its anti-Somoza bases and cadres. The integration of the CUS has been approved. Its incorporation will occur in the next few days. It was reported that several FAO organizations are holding talks to incorporate other political and social groups into the FAO.

COMMENTARY DEMANDS RESPECT FOR PUERTO RICAN INDEPENDENCE

FL081148Y Havana Domestic Service in Spanish 1045 GMT 8 Aug 78 FL

[Revolutionary Armed Forces and Interior Ministry Combatants Political Information Program Commentary]

[Text] A few days ago the island of Puerto Rico had its 80th anniversary of North American colonial occupation. Following the invasion by marines in 1898, the Puerto Rican nation was assigned a U.S. governor and the implantation of laws enacted by the U.S. Congress and the penetration of capital began. That was how the Washington government began to complete the colonization of Puerto Rico, and not only with the establishment of military bases, but also with the control of production, trade and complete domination of emerging industry.

The United States established on the island the mechanisms necessary to colonize it. It imposed the English language as the instrument of education. And the puppet governors who succeeded the North Americans have done nothing more than continue to deliver the country to Yankee interests.

Imperialist control over the Caribbean island has directly hurt Puerto Rican nationality. During the two world wars Puerto Ricans have been forced to participate in accordance with U.S. aggressive and expansionist interests. Hundreds of Puerto Ricans died in the acts of aggression against Korea and Vietnam. They were serving, against their will, the nation that subjugates their own homeland. Puerto Ricans have been forced to register for military service with the U.S. Armed Forces in accordance with a law enacted by the U.S. Congress.

The Antillean island is a big North American military base. More than 15 percent of the territory is occupied by Yankee installations. And from one corner of the country to the other there are strategic detachments, forts and positions belonging to the U.S. Army and Navy. The so-called Antilles Command operates in San Juan, the Puerto Rican capital, and in islands like Vieques and Culebra the Yankee Navy has dislodged the residents to install military bases and proving grounds and even nuclear arsenals.

The independence struggle of Puerto Rican patriots began simultaneously with North American intervention 80 years ago. Resistance groups composed of craftsmen and peasants were bloodily crushed by the marines. The interventionists have perpetrated criminal massacres against those fraternal people. They have jailed prominent leaders and imposed imperialism.

Throughout eight decades the independence flame of the Puerto Rican people has never gone out. Immortal heroes like Pedro Albizu Campos and Eugenio Maria de Hostos have left planted forever in the Puerto Rican people the spirit of rebellion against Yankee colonialism.

Just a little more than 18 months ago when outgoing U.S. President Gerald Ford turned over the administration to James Carter, Ford also submitted to Congress the cynical proposal of making Puerto Rico another state of the United States. Carter still has not declared himself on this proposal, but neither has his administration declared itself against such aims. Schemes are being devised, through the colonial governor, for an alleged willingness to adhere to the will of the Puerto Rican people.

It is known that these fraternal people do not accept imperialist domination.

They want liberty and independence, respect for their rights and inviolability of a sovereignty which has been spoiled for more than three-quarters of a century. That is the demand to which the North American government should respond. These legitimate rights are the ones the United States should respect. Puerto Rico demands its independence and the release of its patriots imprisoned in North American jails. It demands the right to manage its life without the Yankee presence and to exercise its right to be free and sovereign.

HAVANA SITE FOR NONALINED MEETING SEEN AS VICTORY

FL281126Y Havana Domestic Television Service in Spanish 0000 GMT 8 Aug 78 FL

[Miguel Rivero commentary]

[Text] The nonalined foreign ministers meeting that was recently held in Belgrade served to disrupt plottings and maneuverings against Cuba and to define positions in the heart of the movement. As Commander in Chief Fidel Castro stated on 26 July, the North American government met with 15 foreign ministries of the nonalined movement to tell them to boycott the sixth summit set to be held in Havana next year. But the foreign ministers meeting approved by consensus that the summit meeting should be held in Havana between 3 and 7 September of next year. One paragraph on this subject clearly states: The conference warmly appreciates that the movement's next summit conference will be held for the first time in Latin America, in the Republic of Cuba. The internationalist actions in Africa and the victories obtained by the peoples of that continent in facing colonialist and neocolonialist forces were backed in the Belgrade final document.

At the same time, and this is of great importance, the nonalined foreign ministers condemned by name France, Great Britain, United States, the FRG, Israel and other states for economic, military and nuclear cooperation provided to the racist regime of South Africa. The members of the belligerent NATO alliance suffered a bitter defeat when the conference rejected the attempt made by that military bloc to extend their influence under the mantle of the so-called pan-African force.

The Cuban foreign minister stated that one of the characteristics of the present international situation is the formation of a new coalition of reactionary forces trying to halt our peoples liberation processes and push back the international situation to an era which favored colonialist and neocolonialist designs. Because of this it is important that the movement has reaffirmed its basically anti-imperialist nature and has called for all types of aid to the liberation movements which are recognized by the Organization of African Unity in their struggle against the racist regimes and apartheid.

The fact that Belgrade arrived at positive results does not mean that all the problems have been smoothed over. It is foreseeable that the movement's enemies will continue their diversionist campaign to try to divert it from its essential objectives. To see that the sixth summit in Havana is a success, Cuban diplomacy will intensify its direct contacts with the 86 members of the nonalined countries to clarify even more of the concepts.

Without a doubt the Belgrade meeting dealt a sharp blow to the campaign orchestrated by the mass media of the United States and other countries which are against the nonalined movement. The preparations for holding the sixth summit in Havana is a defeat for the North American imperialists and their acolytes.

MINISTER MALMIERCA DISCUSSES NEXT NONALINED CONFERENCE

FL082010Y Havana Domestic Service in Spanish 1802 GMT 8 Aug 78 FL

[Text] In Prague, Cuban Foreign Minister Isidoro Malmierca today announced the preparations being made in our country for the nonalined summit conference. In a press conference Malmierca said that in the recently held Belgrade meeting of nonalined foreign ministers it was decided to hold the summit in Cuba in the first week of September 1979.

After mentioning that one year separates us from that important international meeting, he said that Cuba is already preparing to receive the chiefs of state and goverments of nonalined countries in the manner they deserve. In addition to the material preparations, he said, we will actively work for the strengthening of the movement's unity until the summit is held.

Malmierca called the nonalined movement a very important active force which has decisively contributed to the solution of international problems. He pointed out that Cuba considers the strengthening and unity of the nonalined movement as an effort aimed at advancing in the consistent application of the decisions approved by previous summits. We expect that in 1978, like in previous years, the movement will continue to lend its active cooperation and solidarity to the struggle of peoples for independence and against the threats and aggression of imperialism and other forms of oppression.

Malmierca added that the nonalined movement will also continue to struggle increasingly more for creating the conditions for and advancing toward establishment of a new international economic order and strengthening peace and security.

Defends Intervention in Africa

FL082013Y Havana Domestic Service in Spanish 1820 GMT 8 Aug 78 FL

[Text] In his press conference in Prague, Cuban Foreign Minister Isidoro Malmierca, member of the PCC Central Committee, also referred to the imperialist and Maoist campaign which insinuates that Cuba's aid to Africa threatens peace and stability on that continent. Malmierca strongly condemned that slanderous propaganda and stressed that our presence in Africa has always been in support of respect for territorial integrity and sovereignty of the peoples requesting it.

PPP COMMENTS ON U.S. STAND ON BOLIVIA, HUMAN RIGHTS

FL081435Y Bridgetown ADVOCATE-NEWS in English 2 Aug 78 p 7 FL

[Text] Georgetown, Guyana, Tuesday (CANA)--Guyana's Marxist People's Progressive Party (PPP) this weekend welcomed United States expression of concern at the military coup in Bolivia but called on Washington to put its own house in order and to speak out in favour of human rights here.

In a press statement the party renewed its standing allegation of electoral rigging here as well as other forms of human rights violations which it did not detail--charges which are rejected by the Burnham government as a matter of routine. The PPP said that such a situation as it claims exists should disqualify Guyana and other Latin American states from receiving military and economic aid from the United States.

However, the Carter administration's record on violation of human rights "has been ambiguous if not poor" and Guyana continued to receive "generous economic and political support."

"It is this duality, the difference between precept and performance, that may have caused Ambassador Andrew Young, in the context of U.S. attacks on the Soviet Union, to blurt out that the U.S. has hundreds, perhaps thousands, of political prisoners," the PPP said.

The party also reopened its contention that Guyana's July 10 referendum on constitutional change had not been fairly conducted and that the official results were not accurate. It said the United States must have been informed of this, but slapping which it administered to Bolivia. [as published]

Following the seizure of power by General Juan Pereda Asbun, Washington said the move was "a serious set back to the democratic process."

IMF GRANTS CREDITS TO AID RECOVERY PROGRAM

FL071810Y Kingston DAILY GLEANER in English 3 Aug 78 p 13 FL

[Text] Georgetown, 2 Aug (CANA)--Guyana's ailing economy, which ended last year with a 235 million dollars (G) balance-of-payments deficit, has received a 46.8 million dollars (G) shot in the arm from the International Monetary Fund. And a government spokesman confirmed that the 19.5 million dollars one-year stand-by credit and 27.3 million dollars compensatory financing announced last night did not require any of the usually harsh conditions that go with I.M.F. assistance. A government spokesman said the only condition required by the I.M.F was that Guyana drop its requirement that depreciation funds of foreign-based investments be held here.

This condition was, however, not especially meaningful, in view of Guyana's nationalisation of the main foreign investments in the country, the bauxite and the sugar industries, for some years now, the spokesman said. The I.M.F. has required too, that Guyana continue to closely monitor its economy to ensure that the recovery programme stays on track. Prior to the two loans, which allow the country to purchase foreign currency, Guyana owed the I.M.F. 70.2 million dollars (G), its quota in the fund being 78 million dollars (G). Draw-down of the two loans will take the country's debt to the I.M.F. to 117 million dollars (G).

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